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Lafayette, Louisiana July 27, 2001

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Honorable Philip N. Asprodites Commissioner of Conservation Office of Conservation Post Office Box 94275 Baton Rouge, LA 70804-4275

Bolivina Perca Sand, Reservoir J

South Thornwell Field

Jefferson Davis Parish, Louisiana

Dear Commissioner Asprodites:

Application is hereby made on behalf of DENBURY RESOURCES, INC. for the calling of a public hearing, after ten (10) days legal notice, to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Bolivina Perca Sand, Reservoir J, in the South Thornwell Field, Jefferson Davis Parish, Louisiana, for which rules and regulations were established and a single drilling and production unit was created for the exploration for and production of gas and condensate by Office of Conservation Order No. 479-C-16, effective April 25, 2000, said unit being designated BOL P RJ SUA:

- To permit the applicant to drill, designate and utilize the Denbury Resources Inc. -1. Walker, et al No. 1 Well as alternate unit well for the BOL P RJ SUA, said well to be at the location shown on the plat attached hereto and made a part hereof.
- To find that this well is necessary to efficiently and economically drain a portion of the reservoir covered by such unit which cannot be so drained by any existing well within such unit.
- To permit the operator to produce the unit allowable for the aforementioned unit from the existing unit well, the proposed alternate unit well, or in any combination thereof at the discretion of the operator.

GENE W. LAFITTE BILLY H. HINES LEON J. REYMOND, JR. J. BERRY ST. JOHN, JR. DONALD R. ABAUNZA JOHN M. WILSON LAWRENCE P. SIMON, JR S. GENE FENDLER JOHN D. WOGAN MAURICE C. HEBERT, JR. GEORGE H. ROBINSON, JR MARILYN C. MALONEY JOSEPH C. GIGLIO, JR. PATRICK W. GRAY ROBERT E. HOLDEN JOE B. NORMAN THOMAS M. MCNAMARA JAMES N. MANSFIELD III JAMES N. MANSFIELD III BILLY J. DOMINGUE PHILIP K. JONES, JR. WILLIAM W. PUGH CHARLES B. GRIFFIS RICHARD W. REVELS, JR.

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MARK A. LOWE

CRAIG WYMAN

DON K. HAYCRAFT

R. KEITH JARRETT

Re:

- 4. Except to the extent herein set forth, to continue in full force and effect the provisions of the 479-C Series of Office of Conservation Orders and the units created thereby.
- 5. To consider such other matters as may be pertinent.

The Bolivina Perca Sand, Reservoir J, in the South Thornwell Field, Jefferson Davis Parish, Louisiana, was previously defined in Office of Conservation Order No. 479-C-16, effective April 25, 2000.

The proposed alternate unit well will permit efficient and economic recovery of hydrocarbons underlying the unit and will not adversely affect the adjacent offsetting units. Also, this well is necessary to satisfy the market demand for gas and condensate from the field. For these reasons, the applicant respectfully requests permission to drill, designate and utilize its Walker, et al No. 1 Well to serve the BOL P RJ SUA.

Attached hereto and made a part hereof is a plat outlining the applicant's proposal and a list of the names and addresses of the Interested Owners, Represented Parties and Interested Parties to whom a copy of this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Interested Parties and Represented Parties.

Finally, enclosed herewith is our check on behalf of the applicant in the amount of \$700.00 made payable to the Office of Conservation and representing the required hearing application fee.

Very truly yours,

Richard W. Revels, Jr.

RWR/df Enclosures

cc: Mr. Richard Hudson
Office of Conservation
825 Kaliste Saloom
Brandy Wine III, Suite 220
Lafayette, LA 70508

cc: Interested Owners, Represented Parties and Interested Parties

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